

## Message Text

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ACTION EB-07

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FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC PRIORITY 2026

INFO AMCONSUL CAPE TOWN

AMCONSUL DURBAN

AMEMBASSY THE HAGUE

AMCONSUL JOHANNESBURG

AMEMBASSY LUXEMBOURG

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CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: ETRD, US, SF, NL, LV, EINV, NA

SUBJ: ANTI-TRUST: INTERNATIONAL DIAMOND TRADE

REF: (A) PRETORIA 2026 AND PREVIOUS (B) STATE 119239

1. CONGEN JOHANNESBURG HAS SENT US THE ANNUAL REPORTS OF BOART INTERNATIONAL LIMITED (INCORPORATED IN SOUTH AFRICA), ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED, ANGLO AMERICAN INVESTMENT TRUST LIMITED AND ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.

2. THESE REPORTS REVEAL THAT ANGLO AMERICAN INDUSTRIAL CORP. LIMITED OWNS 100 PERCENT OF BOART INTERNATIONAL LIMITED OF SOUTH AFRICA (WHOSE NAME WAS CHANGED FROM BOART AND HARD METAL PRODUCTS SA. LIMITED ON JULY 1, 1974), WHICH OWNS 100 PERCENT OF BOART INTERNATIONAL LUXEMBOURG S.A.H., WHICH OWNS 75 PERCENT OF LONGYEAR ANTILLES N.V., WHICH OWNS 100 PERCENT OF LONGYEAR INTERNATIONAL B.V., WHICH OWNS 100 PERCENT OF LONGYEAR COMPANY OF THE U.S.

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EM THE FOLLOWING IS QUOTED FROM THE 1974 ANNUAL REPORT OF BOART INTERNATIONAL LIMITED (INCORPORATED IN SOUTH AFRICA). THE REPORT IS DATED MARCH 27, 1975.

QTE. BOART INTERNATIONAL LUXEMBOURG S.A.H. (B.I. LUX) A WHOLLY-OWNED SUBSIDIARY, SOLD ITS INTEREST IN BLACKBIRD INVESTMENTS LIMITED AND INCREASED ITS HOLDINGS IN BOART A.S., A NORWEGIAN COMPANY, TO 100 PERCENT AND IN WENDT G.M.B.H. TO 70.59 PERCENT.

BOART G.M.B.H. WAS INCORPORATED IN OFFENBACH, WEST GERMANY ON 23 APRIL 1974 TO MANUFACTURE AND MARKE ROCK BREAKING AND DRILLING TOOLS AND ACCESSORIES. B.I. LUX HOLDS THE ENTIRE ISSUED CAPITAL OF THIS COMPANY AND ALSO THAT OF LONGYEAR INTERNATIONAL B.V. WHICH WAS FORMED IN THE NETHERLANDS ON 18 OCTOBER 1974. THE LATTER COMPANY ACQUIRED FROM THE FORMER THE ENTIRE ISSUED SHARE CAPITAL OF THE LONGYEAR COMPANY, UNITED STATES OF AMERICA. A NEW COMPANY, LONGYEAR ANTILLES N.V. WAS INCORPORATED AS A WHOLLY-OWNED SUBSIDIARY OF B.I. LUX ON 16TH OCTOBER 1974, ACQUIRED THE LATTER'S 100 PERCENT INTEREST IN LONGYEAR INTERNATIONAL B.V. B.I. LUX THEREUPON DISPOSED OF 25 PERCENT OF ITS PARTICIPATION IN THE ANTILLES COMPANY TO WHICH IT SOLD ITS INTERESTS IN BOART CANADA LIMITED (100 PERCENT), LONGYEAR CENTRO AMERICANA (50 PERCENT), LONGYEAR DIAMOND PRODUCTS PHILIPPINES INC. (28.2 PERCENT) AND L&T DRILLING EQUIPMENT LIMITED (24.5 PERCENT). THE LONGYEAR COMPANY, UNITED STATES OF AMERICA, AND LONGYEAR ANTILLES N.V. SUBSEQUENTLY DISPOSED OF THEIR HOLDINGS IN L&T DRILLING EQUIPMENT LIMITED.

THE TOTAL DISENGAGEMENT FROM THE CHRISTENSEN GROUP IN TERMS OF THE RECONSTRUCTION SCHEME WAS VIRTUALLY COMPLETED BY MID 1974 ALTHOUGH LEGISLATION GOVERNING FOREIGN OWNERSHIP IS DELAYING THE GROUP'S ACQUISITION OF AN ADDITIONAL 24 PERCENT PARTICIPATION IN LONGYEAR DE MEXICO S.A. DE C.V. RESULTING FROM AN AGREEMENT TO REDUCE THE CAPITAL OF SHANNON DIAMOND AND CARBIDE LIMITED, PREVIOUSLY A SUBSIDIARY OF BOART INTERNATIONAL LUXEMBOURG S.A.H., THE LATTER ACQUIRED 51 PERCENT OF THE STOCK OF THE LONGYEAR COMPANY OF MINNEAPOLIS. THEREAFTER A SUCCESSFUL BID WAS MADE FOR THE LONGYEAR COMPANY'S OUTSTANDING EQUITY, 25 PERCENT OF WHICH WAS SUBSEQUENTLY SOLD. THE LONGYEAR GROUP MANUFACTURES AND SELLS DIAMOND CORE DRILLING EQUIPMENT AND TOOLS AND UNDERTAKES CONTRACT DRILLING. THIS ACQUISITION HAS SUBSEQUENTLY INCREASED BOART'S INVESTMENT IN THE AREA OF EXPLORATORY DRILLING AS WELL LIMITED OFFICIAL USE

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AS DIVERSIFYING ITS ACTIVITIES AND WIDENING ITS GEOGRAPHIC SPREAD OF INTERESTS. UNQTE.

4. THE 1974 ANNUAL REPORT OF ANGLO AMERICAN INDUSTRIAL CORPORATION (AMIC), DATED APRIL 24, 1975, LISTS BOART INTERNATIONAL LIMITED (INCORPORATED IN SOUTH AFRICA) AS A WHOLLY-OWNED SUBSIDIARY IN WHICH AMIC HAS A DIRECT INTEREST. BOART INTERNATIONAL LUXEMBOURG S.A.H. IS LISTED AS A COMPANY IN WHICH AMIC HAS A

100 PERCENT INDIRECT INTEREST. LONGYEAR ANTILLES N.V., LONGYEAR INTERNATIONAL B.V., LONGYEAR NEDERLAND B.V. ARE ALL LISTED AS COMPANIES INCORPORATED IN THE NETHERLANDS IN WHICH AMIC HAS A 75 PERCENT INDIRECT INTEREST. LONGYEAR COMPANY IS LISTED AS A COMPANY INCORPORATED IN THE U.S. IN WHICH AMIC HAS A 75 PERCENT INDIRECT INTEREST.

5. WE ARE SENDING COPIES OF THE TWO ANNUAL REPORTS MENTIONED ABOVE TO AF/S (ATTN: D. CHRISTENSEN).  
DECON UPON RECEIPT.  
BOWDLER

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## Message Attributes

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